



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

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TO: SBHS Medicaid Providers

FROM: Linda J. Williams, Financial Analyst for SBHS
Department of Human Services

SUBJECT: SBHS Medicaid Reimbursement for Evaluations

During negotiation with the Center for Medicare and Medicaid Services (CMS), a federal representative brought to our attention that language in Oregon's current state plan regarding evaluation for "student's under consideration" for an IEP/IFSP determination is only reimbursed by Medicaid when the evaluation leads to an IEP/IFSP. CMS has determined that Medicaid cannot reimburse services for an evaluation when a child is found not eligible under IDEA for IEP/IFSP. The Social Security Act (see underlined reference below) includes a statutory provision permitting Medicaid reimbursement for health services, including evaluations, only for children with a current IEP/IFSP.

SEC. 1903. [42 U.S.C. 1396b]

c) Nothing in this title shall be construed as prohibiting or restricting, or authorizing the Secretary to prohibit or restrict, payment under subsection (a) for medical assistance for covered services furnished to a child with a disability because such services are included in the child's individualized education program established pursuant to part B of the Individuals with Disabilities Education Act^[33] or furnished to an infant or toddler with a disability because such services are included in the child's individualized family service plan adopted pursuant to part H of such Act.

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As a result of this determination, for the 2004–2005 school year, evaluations cannot be reimbursed for children found not eligible under IDEA. We are in process of amending the State Plan to reflect this clarification to ensure that we are in compliance with federal Medicaid Law.

However for the 2003-2004 School year, evaluations for those students “under consideration for an IEP” is allowed under the current State Plan previously approved by CMS for SBHS.

If you have any questions or concerns please email me at Linda.J.Williams@state.or.us or call me at the below listed phone number.

Thank you

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